

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001(ss) be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 6-1.1-4-4, AS AMENDED BY P.L.90-2002,
- 6 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 MARCH 1, 2002 (RETROACTIVE)]: Sec. 4. (a) A general
- 8 reassessment, involving a physical inspection of all real property in
- 9 Indiana, shall begin July 1, 2000, and each fourth year thereafter. Each
- 10 reassessment shall be completed on or before March 1, of the
- 11 immediately following even-numbered year, and shall be the basis for
- 12 taxes payable in the year following the year in which the general
- 13 assessment is to be completed. **However, the general reassessment**
- 14 **scheduled to begin under this subsection on July 1, 2000, shall be**
- 15 **completed on or before March 1, 2003, and shall be the basis for**
- 16 **taxes first due and payable beginning in the following year.**
- 17 (b) In order to ensure that assessing officials and members of each
- 18 county property tax assessment board of appeals are prepared for a
- 19 general reassessment of real property, the department of local
- 20 government finance shall give adequate advance notice of the general
- 21 reassessment to the county and township taxing officials of each
- 22 county.

SECTION 2. IC 6-1.1-4-32, AS AMENDED BY P.L.178-2002, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 32. (a) As used in this section, "contract" refers to a contract entered into under this section.

(b) As used in this section, "contractor" refers to a firm that enters into a contract with the department of local government finance under this section.

(c) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000).

(d) Notwithstanding sections 15 and 17 of this chapter, a township assessor in a qualifying county may not appraise property, or have property appraised, for the general reassessment of real property to be completed for the March 1, ~~2002~~, **2003**, assessment date. Completion of that general reassessment in a qualifying county is instead governed by this section. The only duty of:

(1) a township assessor in a qualifying county; or

(2) a county assessor of a qualifying county;

with respect to that general reassessment is to provide to the department of local government finance or the department's contractor under subsection (e) any support and information requested by the department or the contractor. This subsection expires June 30, 2004.

(e) The department of local government finance shall select and contract with a certified public accounting firm with expertise in the appraisal of real property to appraise property for the general reassessment of real property in a qualifying county to be completed for the March 1, ~~2002~~, **2003**, assessment date. The department of local government finance may enter into additional contracts to provide software or other auxiliary services to be used for the appraisal of property for the general reassessment. The contract applies for the appraisal of land and improvements with respect to all classes of real property in the qualifying county. The contract must include:

(1) a provision requiring the appraisal firm to:

(A) prepare a detailed report of:

(i) expenditures made after July 1, 1999, and before the date of the report from the qualifying county's reassessment fund under section 28 of this chapter (repealed); and

(ii) the balance in the reassessment fund as of the date of the report; and

(B) file the report with:

(i) the legislative body of the qualifying county;

(ii) the prosecuting attorney of the qualifying county;

(iii) the department of local government finance; and

(iv) the attorney general;

(2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;

- (3) subject to subsection (t), a provision requiring the appraisal firm to use the land values determined for the qualifying county under section 13.6 of this chapter;
- (4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;
- (5) a provision requiring the appraisal firm to make periodic reports to the department of local government finance;
- (6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;
- (7) a precise stipulation of what service or services are to be provided;
- (8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the department of local government finance; and
- (9) any other provisions required by the department of local government finance.

After December 31, 2001, the department of local government finance has all the powers and duties of the state board of tax commissioners provided under a contract entered into under this subsection (as effective before January 1, 2002) before January 1, 2002. The contract is valid to the same extent as if it were entered into by the department of local government finance. However, a reference in the contract to the state board of tax commissioners shall be treated as a reference to the department of local government finance. The contract shall be treated for all purposes, including the application of IC 33-3-5-2.5, as the contract of the department of local government finance. If the department of local government finance terminates a contract before completion of the work described in this subsection, the department shall contract for completion of the work as promptly as possible under IC 5-22-6. This subsection expires June 30, 2004.

(f) At least one (1) time each month, the contractors that will make physical visits to the site of real property for reassessment purposes shall publish a notice under IC 5-3-1 describing the areas that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the department of local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance apply to an appeal under this subsection. A

determination by the Indiana board of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15. This subsection expires on the later of June 30, 2004, or the date a final determination is entered in the last pending appeal filed under this subsection.

(g) In order to obtain a review by the Indiana board under subsection (f), the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the department of local government finance is given to the taxpayer under subsection (f). This subsection expires June 30, 2004.

(h) The department of local government finance shall mail the notice required by subsection (f) within ninety (90) days after the department receives the report for a parcel from the professional appraisal firm. This subsection expires June 30, 2004.

(i) The qualifying county shall pay the cost of any contract under this section which shall be without appropriation from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under a contract. However, the maximum amount that the qualifying county is obligated to pay for all contracts entered into under subsection (e) for the general reassessment of real property in the qualifying county to be completed for the March 1, ~~2002~~, **2003**, assessment date is twenty-five million five hundred thousand dollars (\$25,500,000). Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

(1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;

(2) obtains from the department of local government finance:

(A) approval of the form and amount of the bill; and

(B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and

(3) files with the county auditor of the qualifying county:

(A) a duplicate copy of the bill submitted to the department of local government finance;

(B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and

(C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further

audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection. This subsection expires June 30, 2004.

(j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department of local government finance under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.
- (4) The governor.

(k) With respect to a general reassessment of real property to be completed under section 4 of this chapter for an assessment date after the March 1, ~~2002~~, **2003**, assessment date, the department of local government finance shall initiate a review with respect to the real property in a qualifying county or a township in a qualifying county, or a portion of the real property in a qualifying county or a township in a qualifying county. The department of local government finance may contract to have the review performed by an appraisal firm. The department of local government finance or its contractor shall determine for the real property under consideration and for the qualifying county or township the variance between:

- (1) the total assessed valuation of the real property within the qualifying county or township; and
- (2) the total assessed valuation that would result if the real property within the qualifying county or township were valued in the manner provided by law.

(l) If:

- (1) the variance determined under subsection (k) exceeds ten percent (10%); and
- (2) the department of local government finance determines after

1 holding hearings on the matter that a special reassessment should
2 be conducted;

3 the department shall contract for a special reassessment by an appraisal
4 firm to correct the valuation of the property.

5 (m) If the variance determined under subsection (k) is ten percent
6 (10%) or less, the department of local government finance shall
7 determine whether to correct the valuation of the property under:

8 (1) sections 9 and 10 of this chapter; or

9 (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

10 (n) The department of local government finance shall give notice by
11 mail to a taxpayer of a hearing concerning the department's intent to
12 cause the taxpayer's property to be reassessed under this section. The
13 time fixed for the hearing must be at least ten (10) days after the day
14 the notice is mailed. The department of local government finance may
15 conduct a single hearing under this section with respect to multiple
16 properties. The notice must state:

17 (1) the time of the hearing;

18 (2) the location of the hearing; and

19 (3) that the purpose of the hearing is to hear taxpayers' comments
20 and objections with respect to the department of local government
21 finance's intent to reassess property under this chapter.

22 (o) If the department of local government finance determines after
23 the hearing that property should be reassessed under this section, the
24 department shall:

25 (1) cause the property to be reassessed under this section;

26 (2) mail a certified notice of its final determination to the county
27 auditor of the qualifying county in which the property is located;
28 and

29 (3) notify the taxpayer by mail of its final determination.

30 (p) A reassessment may be made under this section only if the
31 notice of the final determination under subsection (n) is given to the
32 taxpayer within the same period prescribed in IC 6-1.1-9-3 or
33 IC 6-1.1-9-4.

34 (q) If the department of local government finance contracts for a
35 special reassessment of property under this section, the qualifying
36 county shall pay the bill, without appropriation, from the county
37 property reassessment fund. A contractor may periodically submit bills
38 for partial payment of work performed under a contract.
39 Notwithstanding any other law, a contractor is entitled to payment
40 under this subsection for work performed under a contract if the
41 contractor:

42 (1) submits, in the form required by IC 5-11-10-1, a fully
43 itemized, certified bill for the costs under the contract of the work
44 performed to the department of local government finance for
45 review;

46 (2) obtains from the department of local government finance:

- (A) approval of the form and amount of the bill; and
- (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and
- (3) files with the county auditor of the qualifying county:
 - (A) a duplicate copy of the bill submitted to the department of local government finance;
 - (B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
 - (C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be treated as conclusively resolving the merits of the claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive of the qualifying county. The county executive shall allow the claim, in full, as approved by the department of local government finance without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department of local government finance. Compliance with this subsection shall be treated as compliance with section 28.5 of this chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(r) A qualifying official (as defined in IC 33-3-5-2.5) shall provide information requested in writing by the department of local government finance or the department's contractor under this section not later than seven (7) days after receipt of the written request from the department or the contractor. If a qualifying official (as defined in IC 33-3-5-2.5) fails to provide the requested information within the time permitted in this subsection, the department of local government finance or the department's contractor may seek an order of the tax court under IC 33-3-5-2.5 for production of the information.

(s) The provisions of this section are severable in the manner provided in IC 1-1-1-8(b).

(t) A contract entered into under subsection (e) is subject to this subsection. A contractor shall use the land values determined for the

qualifying county under section 13.6 of this chapter to the extent that the contractor finds that the land values reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. If the contractor finds that the land values determined for the qualifying county under section 13.6 of this chapter do not reflect the true tax value of land, the contractor shall determine land values for the qualifying county that reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. The land values determined by the contractor shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The contractor shall notify the county assessor and the township assessors in the qualifying county of the land values as modified under this subsection. This subsection expires June 30, 2004.

(u) A contractor acting under a contract under subsection (e) may notify the department of local government finance if:

(1) the county auditor fails to:

(A) certify the bill;

(B) publish the claim;

(C) submit the claim to the county executive; or

(D) issue a warrant or check;

as required in subsection (i) at the first opportunity the county auditor is legally permitted to do so;

(2) the county executive fails to allow the claim as required in subsection (i) at the first opportunity the county executive is legally permitted to do so; or

(3) a person or entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts the process under this section for payment of a bill submitted by a contractor under subsection (i).

This subsection expires June 30, 2004.

(v) The department of local government finance, upon receiving notice under subsection (u) from the contractor, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (b)(1) or (b)(2); or

(B) a person or entity acted or failed to act as described in subsection (b)(3); and

(2) provide to the treasurer of state the department of local government finance's approval under subsection (i)(2)(A) of the bill with respect to which the contractor gave notice under subsection (u).

This subsection expires June 30, 2004.

(w) Upon receipt of the approval of the department of local

1 government finance under subsection (v), the treasurer of state shall
2 pay the contractor the amount of the bill approved by the department
3 of local government finance from money in the possession of the state
4 that would otherwise be available for distribution to the qualifying
5 county, including distributions from the property tax replacement fund
6 or distributions of admissions taxes or wagering taxes. This subsection
7 expires June 30, 2004.

8 (x) The treasurer of state shall withhold from the part attributable to
9 the county of the next distribution to the county treasurer under
10 IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or another law the
11 amount of any payment made by the treasurer of state to the contractor
12 under subsection (w). Money shall be deducted first from money
13 payable under IC 6-1.1-21.4(b) and then from all other funds payable
14 to the qualifying county. This subsection expires June 30, 2004.

15 (y) Compliance with subsections (u) through (x) shall be treated as
16 compliance with IC 5-11-10. This subsection expires June 30, 2004.

17 (z) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to
18 the payment made in compliance with subsections (u) through (x). This
19 subsection and subsections (u) through (y) shall be interpreted liberally
20 so that the state shall, to the extent legally valid, ensure that the
21 contractual obligations of a county under this section are paid. Nothing
22 in this subsection or subsections (u) through (y) shall be construed to
23 create a debt of the state. This subsection expires June 30, 2004.

24 **SECTION 3. An emergency is declared for this act.**

(Reference is to HB 1001(ss) as printed June 3, 2002.)

Representative Bauer